CLAIM AMENDMENTS

Please amend the claims as follows:

1. (Withdrawn) A method of preparing a fertile transgenic cell having an altered transgene insertion comprising: a) obtaining a first transgenic cell, wherein the transgene insertion DNA sequence comprises an ancillary DNA sequence flanked by directly repeated DNA sequences; b) obtaining a plurality of progeny cells of any generation of the first transgenic cell; c) selecting a progeny transgenic in the presence of a negative selection agent wherein said ancillary DNA sequence flanked by directly repeated DNA sequences is deleted in the transgene insertion in the progeny transgenic cell as compared to the transgene insertion in the first transgenic cell.

2. (Withdrawn) The method of claim 1 wherein said directly repeated DNA sequences are not recognized by a site-specific recombinase.

3. (Withdrawn) The method of claim 1 wherein said transgenic cell is homozygous for the transgene insertion DNA sequence.

4. (Withdrawn) The method of claim 1 wherein the ancillary DNA sequence flanked by directly repeated DNA sequence comprises a selectable marker gene or a reporter gene.

5. (Withdrawn) The method of claim 4 wherein the ancillary DNA sequence flanked by directly repeated DNA sequence further comprises a negative selectable marker gene.

6. (Withdrawn) The method of claim 5 wherein said negative selectable marker gene comprises a pehA gene, a cytosine deaminase gene, a T-DNA gene 2 gene or a thymidine kinase gene.

7. (Withdrawn) The method of claim 6 wherein said negative selectable marker gene is a pehA gene.

8. (Withdrawn) The method of claim 4 wherein the ancillary DNA sequence flanked by directly repeated DNA sequence comprises a bar, nptII, EPSPS, CP4, pat, GFP, uidA, or cryIA(b) gene.

9. (Withdrawn) The method of claim 8 wherein said selectable marker gene is an NPTII, bar or pat gene.

10. (Withdrawn) The method of claim 1 wherein said transgenic cell is a plant callus cell.

11. (Withdrawn) The method of claim 10 wherein said plant callus cell is monocotyledonous.

12. (Withdrawn) The monocotyledenous plant callus cell of claim 1 wherein said callus cell is obtained from maize.

13. (Withdrawn) The method of claim 10 further comprising regenerating a transgenic plant from said plant callus cell wherein said ancillary DNA sequence flanked by directly repeated DNA sequence is deleted.

14. (Currently amended) ~~The~~ [A]transgenic plant ~~produced by the method of claim 13 wherein said regenerated transgenic plant lacks said ancillary DNA sequence~~ comprising a transgene insertion comprising a negative selectable marker gene flanked by directly repeating DNA sequences.

15. (Canceled)

16. (Original) A transgenic progeny plant of any generation of the transgenic plant of claim 14.

17. (Currently amended) A transgenic seed of the transgenic plant of claim 14.

18. (Original) A transgenic progeny plant of any generation of the transgenic plant of claim 15.

19. (Currently amended) A transgenic seed of the transgenic plant of claim 17.

20. (Original) The transgenic plant of claim 14 wherein said plant is monocotyledonous.

21. (Original) The transgenic plant of claim 20 wherein said plant is maize.

22. (Original) The transgenic plant of claim 21 which is inbred.

23. (Original) The transgenic plant of claim 21 which is hybrid.

24. (New) A transgenic cell comprising a transgene insertion comprising a negative selectable marker gene flanked by directly repeating DNA sequences.

25. (New) The transgenic cell of claim 24, wherein the cell is a plant callus cell

26. (New) A method of producing a transgenic plant, comprising:

a) obtaining a first plant cell according to claim 24; and

b) regenerating a transgenic plant from the cell or from a progeny cell of any generation of said cell.

27. (New) The method of claim 25, further defined as comprising obtaining a plurality of progeny cells of any generation of the first transgenic cell, selecting a progeny cell comprising the transgene wherein the negative selectable marker gene is deleted as compared to the transgene insertion in the first transgenic cell, and regenerating the transgenic plant from the progeny cell.